MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2021/2022

BBL 2014 – BUSINESS LAW

(All Sections / Groups)

17 AUGUST 2022
9.00 a.m. – 11.00 a.m.
(2 hours)

INSTRUCTIONS TO STUDENT:

1. This Question paper consists of **2** pages excluding the cover page.

2. Answer **ALL FOUR (4)** questions. All questions carry equal marks and the distribution of the marks for each question is given.

3. Please write all your answers in the Answer Booklet provided. All answers should be supported with relevant statutory provisions and case law.

QUESTION 1

a) With reference to the provisions in the Companies Act 2016, explain the following:

i. The characteristics of a private company in Malaysia.

(8 marks)

ii. The effects of incorporation

(2 marks)

b) Miss Cinderella is a young Malaysian socialite who is equally well-known for her fashion brand Disney Attire and her position as an executive director in a multi-million-dollar private company, Traders Kaching Sdn. Bhd.. During board of directors' meeting held in June 2022, Mr. Pluto, one of the executive directors, noticed that Miss Cinderella had ratified a sale of company's land at less than half of the market value and had caused an enormous loss to the company. He then discovers several photos and documents signed by Miss Cinderella and the buyer of the land who is Miss Cinderella's sister. Advise Mr. Pluto on whether Miss Cinderella has breached her duty as a director in Traders Kaching Sdn. Bhd..

(15 marks)

[Total: 25 marks]

QUESTION 2

a) Explain any **(3) THREE** differences between a general partnership and a limited liability partnership.

(9 marks)

b) Based on the provisions in the Partnership Act 1961, explain the duration of liability held by partners in a general partnership.

(6 marks)

c) Mr. Donald and Mr. Mickey formed a general partnership under the Partnership Act 1961 since 2012. The partnership was operating at a loss throughout the Covid-19 pandemic. In September 2021, Mr. Donald receives an email from an unknown sender offering some financial assistance to the partnership. The sender requests Mr. Donald to use the partnership website as a platform to send explicit contents and scam emails to online users. In return, payment will be made in cash for every successful email. Without the knowledge of Mr. Mickey, Mr. Donald agrees to the arrangement. The payment was made under the name of the partnership for the past few months. The partnership is now under an investigation by Malaysian Communications and Multimedia Commission (MCMC) for cybercrime. Advise Mr. Mickey on his liability as a partner.

(10 marks)

[Total: 25 marks]

Continued.....

QUESTION 3

a) List any **(5) FIVE** types of agent to be appointed by a principal under the law of agency.

(5 marks)

b) After his retirement in November 2021, Tan Sri Olaf appoints a real property agent, Mr. Goofy to purchase a 2500 square feet double story house in Padang Matsirat, Pulau Langkawi at the price of RM2.7 million. Mr. Goofy subsequently went to inspect the house. Satisfied with the condition of the house, he informed Tan Sri Olaf to proceed with the transaction. Additionally, Tan Sri Olaf requests him to purchase an insurance with Atiqa Insurance amounting to RM5 million as a protection. After moving into the house, Tan Sri Olaf called a disposal contractor to clear the garage. When the lorry arrives, the concrete driveway of the house started to crack and spall causing a huge pothole throughout the driveway. Tan Sri Olaf was frustrated with the incident and accused Mr. Goofy of failure to inspect the house diligently. He was then told that Mr. Goofy fails to insure the house with Atiqa Insurance. Advise Mr. Goofy.

(15 marks)

c) Explain the creation of agency by necessity.

(5 marks)

[Total: 25 marks]

QUESTION 4

a) Stitch makes an offer to sell his Alienware x17 R2 gaming laptop to Peter Pan for RM 12,070. Peter Pan replies that he is willing to buy the laptop if he can pay for it in five instalments. Nothing further was said concerning the laptop. Few days later, Peter Pan sent a text message to Stitch to accept Stitch's offer. Stitch told him that he already sold the laptop to Winnie Pooh. Advise Peter Pan whether he has an action against Stitch for breach of contract.

(10 marks)

b) Upon receiving her result for trial Sijil Pelajaran Malaysia (SPM), Ariel receives a scholarship letter from the Walt Disney Company Malaysia to sponsor her undergraduate study at the USC School of Cinematic Arts (USC), United States. However, it was stated in the agreement that she is required to serve the company in Malaysia for a minimum of two years. When she graduates from the USC with distinction, she receives an offer letter to work with Marvel Cinematic Universe (MCU). She accepts the offer letter from the MCU and claims that her scholarship contract is a void contract because she was underage when she signed the contract. Advise Ariel.

(15 marks)

[Total: 25 marks]

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